

FISCAL NOTE

SB 1597 - HB 1347

April 9, 2001

SUMMARY OF BILL: Enacts the *Volunteer Firefighter Protection Act of 2001* which:

- Requires all volunteer fire departments in the State of Tennessee to be registered with the State Fire Marshal and recognized as a fully functional fire department by the Tennessee Fire Service and Code Academy as well as the State Fire Marshal. Before a fire department can be registered and deemed an official fire department, the Fire Marshal shall send a representative to verify the legitimacy of such fire department.
- Establishes the *Volunteer Firefighter Insurance Fund*. Such fund shall be for the purchase of health and accident insurance for volunteer firefighters. The funds shall not revert at the end of any fiscal year but shall remain in such fund until expended pursuant to this bill.
- Requires all insurance companies writing fire insurance and lines of business having fire coverage as a part of the risk rate to pay .32% on that portion of the premium applicable to the fire risk in order to establish the *Volunteer Firefighter Insurance Fund*.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Exceeds \$2,500,000/Volunteer Firefighter Insurance Fund

Increase State Expenditures:

Exceeds \$100,000/Volunteer Firefighter Insurance Fund

\$160,000 Recurring

\$30,000 One-Time

Estimates assume:

- an increase in revenues to the *Volunteer Firefighter Insurance Fund* from the collection of additional premium taxes.
- an increase in state expenditures to the *Volunteer Firefighter Insurance Fund* to purchase health and accident insurance for volunteer firefighters. The expenditure of such funds shall be apportioned to volunteer fire departments according to the percentage of firefighter each department maintains. Such expenditures cannot be determined but is estimated to exceed \$100,000.
- an increase in state expenditures to provide 4 additional positions and related expenses to implement the provisions of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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